

Smartlink US Dollar Managed Fund

September 2017



BLOOMBERG: AZUSMGD:IJ

INVESTMENT OBJECTIVE

The objective of the fund is to provide relatively stable income with capital preservation for the long term in U.S. Dollars.

INVESTMENT STRATEGY

To achieve the investment objective, this fund shall be invested 0-20% in short-term instruments (such as deposits), and 80-100% in the medium-or long-term instruments (such as government bonds, corporate bonds, and / or fixed-income funds), in U.S. Dollars.

PERFORMANCE INDICATOR

Return Performance

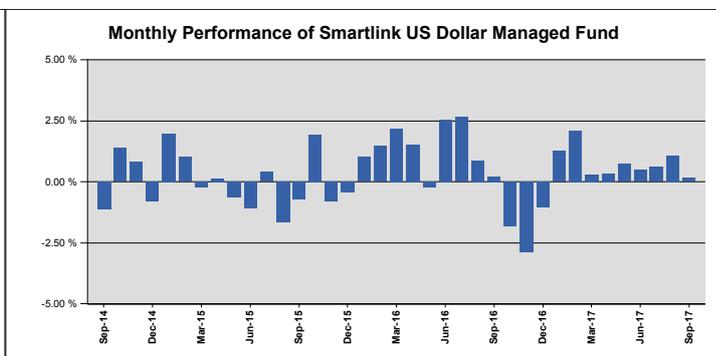
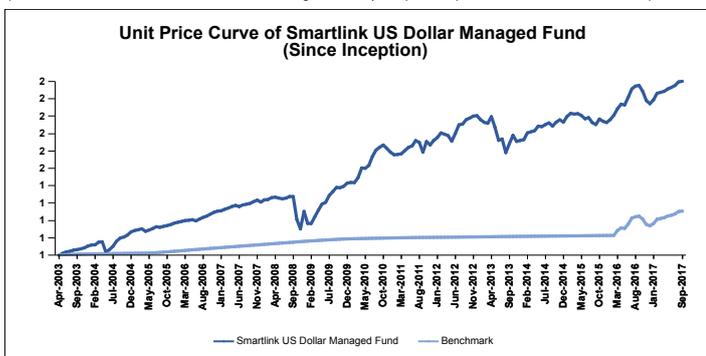
Last 1-year Period	1.26%
Best Month	9.61% Dec-08
Worst Month	-10.66% Oct-08

Portfolio Breakdown

Treasury Bonds	80.97%	Pertamina 2022	11.71%
Govt. Related Bond	15.44%	RI0038	6.47%
Cash/Deposit	3.59%	RI0521	5.88%
		RI0727	5.61%
		RI0124	5.21%

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Smartlink US Dollar Managed Fund	0.16%	1.87%	3.46%	1.26%	15.73%	7.29%	111.42%
Benchmark*	0.14%	2.08%	3.79%	2.58%	14.25%	7.86%	28.13%

*80% Bloomberg USD Emerging Market Indonesia Sovereign (BEMSID) Index and 20% Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank
(Benchmark assessment; before Mar 2016: Average Time Deposit (1 Month) of Bank BNI, BCA and Citibank)



KEY FUND FACTS

Fund Size (in mio USD)	: USD 54.98
Risk Profile	: Moderate
Launch Date	: 07 Apr 2003
Fund Currency	: United States Dollar
Managed by	: PT Asuransi Allianz Life Indonesia

Pricing Frequency	: Daily
Price per Unit (As of Sep 29, 2017)	Bid : USD 2.0085
	Offer : USD 2.1142
Bid-Offer Spread	: 5.00%
Management Fee	: 1.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Sep 2017 inflation at +0.13% mom (vs consensus inflation +0.08%, deflation -0.07% in Aug 2017). On yearly basis, inflation was slightly lower to +3.72%yoy (vs consensus inflation 3.70%, +3.82% in Aug 2017). Core inflation was printed at +3.00% yoy (vs +2.98% in Aug 2017). Inflation was mainly caused by higher processed food, beverage, cigarette and tobacco prices. In the Board of Governors' Meeting on 22 Sep 2017, Bank Indonesia cut its 7-day Reverse Repo Rate by 25bps from 4.50% to 4.25%, also Deposit Facility (DF) from 3.75% to 3.50% and Lending Facility (LF) from 5.25% to 5.00%. Rupiah depreciated by -1.06% to 13,492/USD at end of Sep 2017 from 13,351/USD in previous month. Trade balance booked surplus of USD 1.72bn (non-oil and gas surplus USD 2.4bn, oil and gas deficit USD 0.68bn) in Aug 2017. Export rose by +19.24% YoY mostly driven by jewelry, while imports rose by +8.89% YoY.

USD government bond yields closed in mixed movement across the curve in Sep 2017 due to geopolitical tension concern especially on Trump-North Korea, Trump's tax reform and hawkish monetary policy by the Fed. Positive sentiment came from the expectation of Indonesia's rating upgrade from Moody's by this year. Indonesia's CDS 5yr level was deteriorated from 100/102 to 104/107. The 5Y yield Sep 2017 ended -3bps lower to 2.82% (2.85% in Aug 2017), 10yr tenor ended +2bps higher to 3.54% (3.52% in Aug 2017), and 30yr ended +3bps higher to 4.47% (4.44% in Aug 2017).

In regards to our recent portfolio we maintain the strategy.